

Unifor Submission to the Consultation on the 2023 Federal Budget

Building Resilience and Shared Prosperity

2023

About Unifor

Unifor is Canada's largest private sector union representing 315,000 workers nationwide in every major sector of the economy including advanced manufacturing, natural resources, transportation, communications as well as the public and private services sectors. On behalf of these members, their families and communities, Unifor welcomes the opportunity to share the organization's priorities for Budget 2023.

Building Resilience and Shared Prosperity in 2023

Unifor recommends government use budget 2023 to build stronger foundations for workers and industries that move Canada's economy towards resilience and long-term prosperity for all. To that end, Unifor has developed the following recommendations:

1. Keep the Pharmacare Promise; Follow through on Dental Care

Government has committed to implementing Pharmacare multiple times and, earlier this year added dental care to the list.

Unifor recommends that government:

- Keep its original promise and immediately institute national, universally accessible pharmacare program in consultation with provinces and territories; and
- Move swiftly to implement the dental care program established in the supply and confidence agreement with the New Democratic Party.

2. Reorient Long-Term Care to Improve Service

Seniors deserve to live in dignity and with proper care. Canada's long-term care system is an important segment of the health care sector. It is broken and needs fixing.

Unifor recommends that government:

- Work in partnership with the provinces and territories to establish minimum standards of daily care and a comprehensive workforce strategy. Federal funding should be substantial and tied to adherence to the principles of the Canada Health Act;
- Phase out for-profit long-term care homes and transition toward community-based, publicly-owned or non-profit homes; and
- Immediately bring Revera – currently owned by the Public Sector Pension Investment Board – under public ownership.

3. Equitable Access to Broadband Internet; Good Jobs in Telecom

Broadband internet has become an essential service that enables people in Canada to fully participate in society and access public services that they rely on. Government funding for broadband infrastructure has gone to various telecommunications providers but these projects have not included any “strings attached” related to good, local jobs or limiting off-shoring and contracting out.

Unifor recommends that government:

- Implement legislation requiring any Canadian telecommunications company who receives government funding to publicly report any operations that are contracted out, both domestically and overseas (offshored);
- Establish stronger corporate transparency and reporting requirements through a broader framework around due diligence – based on the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights; and
- Ensure that all the people of Canada, regardless of income, have access to affordable wireless and broadband internet plans including expanding the Connecting Families Program.

4. Regulate to Save Local News; protect journalists from harassment

Unifor supports Bills C-11 and C-18 and the federal government must make the passage of these bills, and measures to support local news and protect journalists from harassment, a top priority.

Unifor recommends that government:

- Set a policy directive for the CRTC on C-11 directing them to support local news programming by developing an independent fund, financed by distribution and online undertakings. The distribution of these funds must be calibrated to employee headcount or payroll expenditure of news gathering and production staff;
- Renew and expand the government’s commitment to the Canadian Journalist Labour Tax Credit and the Local Journalism Initiative, including a reform of tax laws to legalize philanthropic journalism endowments to any qualified news organizations, and to allow employee or citizen news cooperatives to operate as non-profits;
- Reform Section 19 of the Income Tax Act to extend rules restricting tax deductibility of advertising expenditures to online foreign media, a change that would generate general government revenues that can be used for news

journalism, and repatriate lost advertising revenue for Canadian news organizations; and

- Implement a process to root out and hold accountable the people responsible for inflicting on-line hate and harassment in-line with the Canadian Association of Journalists open letter to Justin Trudeau dated September 1, 2022.

5. Accelerate funding for National Action Plan to end Gender Based Violence

In Budget 2022, government committed \$540 million over 5 years to address gender based violence in cooperation with provinces and territories but only \$2 million was allocated this year. There is a significant increase in gender based violence that requires immediate action, not heel dragging on spending that is promised.

- Design and implement a robust plan to end Gender Based Violence in Canada and accelerate the funding.

6. Protect Forestry Workers and Revitalize the Industry

Efforts to increase the conservation of old growth forests and protect important wildlife habitats will continue to have an effect on Canada's forestry sector.

Unifor recommends that government:

- Develop a national industrial strategy for the forestry sector, based on a commitment to sustainability, conservation, and justice for Indigenous communities; and
- Develop, as a part of that industrial strategy, a Just Transition plan to provide a policy framework for the ongoing transformation of Canada's forestry sector, its workers, and its forestry-dependent communities.

7. Improve Employment in Canada's Air Transportation Sector

Canada's air transportation system is in turmoil. The delays and cancellations currently experienced at airports are the result of a labour shortage manufactured by employers' insistence on poor working conditions and failure to train new entrants.

Unifor recommends that government:

- Institute a minimum living wage at airports across the Country;
- Amend Part I of the Canada Labour Code to deem a sale of business to have occurred for purposes of s. 44 of the Code where an employer that provides services to a client ceases to provide those services, and another employer begins to provide the same services to the client; and

- Lead a process to develop a solution to the escalating problem of violence against aviation workers.

8. Energy

The energy transition is underway. Government has an important role to play in guiding research and development in the green energy sector to increase industrial activity and ensure Canada is a global leader in the low carbon economy.

Unifor recommends that government:

- Implement dedicated funding for green hydrogen initiatives, which generate hydrogen from renewable sources:
- Expand the Low Carbon Economy Fund to \$10 billion over seven years (instead of 2.2 billion currently), to support provinces and territories to reduce emissions; and
- Direct government funding and stakes in carbon capture, utilization and storage (CCUS) projects instead of the investment tax credit model currently in place.

9. Mines, Metals & Minerals:

The mass adoption of zero emissions vehicles, including trucks, buses, trains and cars, will require intense development in Canada's mining industry. The country has the natural resources to meet demand, but government must play a role in ensuring that demand is reached through environmentally sustainable ways.

Unifor recommends that government:

- Direct funding to support the adoption of renewable energy sources for off-grid mines;
- Identify funding for research and development to determine feasibility of using hydrogen and fuel cell technology in mines; and
- Double existing funding for small modular reactor (SMR) research & development (\$120.6 million over 5 years currently) to accelerate feasibility studies and possible deployment at off-grid mining sites. Ensure ongoing stakeholder dialogue and strong public oversight of research, development and employment are implemented ensure safety and sustainability.

10. Design and Implement a Just Transition:

While the public consultation on people-centred principles for just transition legislation and the establishment of an advisory body was a promising start, workers are impacted by the shift towards a carbon-neutral economy, technological change, increased protection of wildlife habitats and biodiversity, and climate change right now. Industries

facing these transition pressures have adaptation capabilities that vary depending on the products they manufacture and the sectors in which they operate. The Just Transition policy framework must reflect this diversity and enable calibrated support responses.

Unifor recommends that government:

- Implement a dedicated Just Transition Fund to support workers in all sectors (not just energy) who will be impacted by the consequences of decarbonization, technological change, increased protection of wildlife habitats and biodiversity, and climate change; and
- Establish a Just Transition Secretariat to coordinate JT policymaking between various ministries and departments.

11. Continued Support for Canada's Transitioning Auto Industry

Historic investments in Electric Vehicles (EV) and battery assembly along with battery materials processing in the past two years underscores the importance of active government investment policy to grow industry. Governments must also attend to the needs of workers and businesses in transition. Unifor proposes 29 specific recommendations in its policy program "*Navigating the Road Ahead*", to manage industry growth and transition in Canada. Canada must be an active manager of the transition to Zero Emission Vehicle (ZEV) manufacturing, not a passive enabler.

Unifor recommends that government:

- Coordinate auto supply chain development through a dedicated Ministry;
- Launch a targeted auto supplier transition support program;
- Expand iZEV purchasing incentives to \$10,000;
- Synchronize industrial, environmental and labour market policy; and
- Invest in new charging stations to a benchmark of at least one charger for every 10 on-road electric vehicles.

12. Permanent EI Reform

An EI program that is inclusive, equitable and resilient for workers in Canada needs to be the foundation of any permanent reforms. A clear and near-term path toward an EI program that expands eligibility, access and benefits should be announced soon and must include:

- An immediate extension to the temporary EI measures which expired on September 25 2022 as a bridge to permanent improvements in Employment Insurance, applied retroactively;

- Lowering the variable entrance requirement and eligibility threshold to a standard 360 hours across the country;
- Providing 50 weeks of regular EI benefits in all regions across the country;
- Eliminating the 50 week limit on combined special benefits and extend the reference period to at least 104 weeks;
- Increasing the income replacement rate to 75% and raise the ceiling on insurable earnings;
- Eliminating the allocation of separations payments;
- Ending harsh disqualification rules and misclassifications;
- Ensuring access to benefits for workers who work multiple part-time jobs;
- Reintroducing federal contributions;
- Encouraging adoption of supplemental unemployment benefit (SUB) plans by adding an incentive tier in the premium reduction program;
- Ensuring migrant workers have access to EI; and
- Continuing to develop a comprehensive plan on how to expand EI to include self-employed, freelancers, independent contractors, and “gig” workers.

13. Further Raise the Minimum Wage and Establish a Low-Wage Commission

The federal \$15 minimum wage was a welcome development but came 5 years after the call for a \$15 minimum began, causing minimum wage workers to lose out on thousands of dollars in wages. Government must ensure that wages for the lowest paid workers in federally-regulated sectors provide for an adequate standard of living. To that end, Unifor recommends that government:

- Tie the minimum wage to 60% of the median wage for full-time workers;
- Establish a federal Low-Wage Commission that is:
 - Independent and includes members from key stakeholder groups;
 - Tasked with researching minimum wage policy and its impacts on workers, business and the economy; and
 - Required and equipped to provide government with recommendations on additional wage policy measures that are responsive to current and specific economic and social conditions.

14. Strengthen Retirement Security

Retirement security has been under constant threat in Canada leading to the slow erosion of coverage and quality. Only 22% of private sector employees participated in any registered pension plan in 2019, down from 31% in 1989. Furthermore, only 9% of private sector employees participating in a DB pension plan in 2019, down from 26%, merely 10 years ago. This trend must be reversed.

Unifor recommends that government:

- Institute permanent restrictions on companies to prohibit dividend, capital distributions and share repurchases, if their respective worker pension plans carry a solvency deficit;
- Establish a Pension Benefit Guarantee Fund on a national scale to protect pension plans from corporate insolvencies;
- Amend BIA and CCAA to prioritize solvency deficits in worker pension plans ahead of other creditors;
- Establish a National Pension Fund that encourages employers within the private sector to offer a valuable alternative of predictable retirement income compared to a capital accumulation plan; and
- Setup national standards of best practices and standards for the financial industry that leans on enforcement and training in restoring trust within a “client first” environment.

15. Create a National Public Transit Strategy

Local transit systems are vulnerable to service reductions, cuts and privatization when operations are dependent upon fare box revenues. The federal government’s \$3 billion permanent public transit fund is encouraging since robust investment in public transit infrastructure is an effective way to support the development of good, green jobs and stimulate economic recovery. However, this funding is still four years away, and many transit agencies face significant operational challenges today.

Unifor recommends that government:

- Design and implement a National Public Transit Strategy to build and maintain affordable and accessible public transit in cooperation with all levels of government and key stakeholders including transit agencies, unions, community groups and riders;
- Ensure this national strategy encompasses worker and passenger safety, equity, accessibility, environmental protection, employment quality, economic development and growth and support local jobs and procurement;

- Accelerate the timeline to implement the Public Transit Fund and ensure funding flexibility to support both public transit infrastructure and operations; and
- Maximize Canadian content in public transit vehicle procurement including rolling stock and buses.

16. Invest in Public Passenger Rail

Unifor is encouraged by recent movement on VIA Rail's High Frequency Rail Line project between Quebec City and Toronto. The investments in separate rail lines and new passenger train cars will provide improved service along the corridor.

However, we are concerned that government's intention to enter into a P3 arrangement and privatize the operation of the corridor route will result in greater costs to the public and lower quality of service. It is critical that everyone has access to affordable and accessible transportation service in order for people across Canada to stay connected.

Unifor recommends that government:

- Keep VIA Rail public and halt attempts to privatize passenger rail service;
- Make significant investments in expanding passenger rail routes and service frequency across Canada to increase passenger volume and fare revenue, boost employment and stimulate economic growth; and
- Ensure passenger rail investments include Canadian content requirements and factor in the utilization of Canada's workforce, expertise and resources early in the planning stages.

17. Implement Tax Reform

Four decades of tax changes have dramatically reduced government revenue and Canada's workers are left struggling while profit margins soar and Canada's billionaires continue to amass more wealth. There are a number of tax changes that could have a significant impact on this disparity by reducing income inequality and funding public services.

Unifor recommends the federal government:

- Expand the excess profit tax to all industries and make it permanent;
- Implement a 1% tax on household assets over \$20 million, redistributing an average of \$7 billion annually;
- Close the numerous tax loopholes that enable high income earners to accumulate even more wealth, including the stock option loophole, the business entertainment

expense deduction, the capital gains loophole and the dividend gross-up and credit tax break; and

- Clamp down on tax havens to ensure profits that are accumulated in Canada are taxed in Canada. It is estimated this would raise \$8 billion annually.

Conclusion

Canada's affordability crisis is driven by corporate greed and a lack of government action to reduce prices. In many sectors, industry is set up to maximize profit in the short-term with little to no thought towards ensuring long-term sustainability or resilience for workers or employers. The recommendations listed above can move Canada towards a more inclusive and resilient economy that produces long-term, shared prosperity.

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